
Citi Trends

Fashion for LESS

Cautionary Note

Cautionary Note about Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the federal securities laws and is intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements regarding expected sales, the outlook for Citi Trends’ markets and the demand for its products. These projections and statements are based on management’s estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those projected as a result of certain factors. A discussion of factors that could cause results to vary is included in the section entitled “Risk Factors” in the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Company Highlights

- Rapidly growing retailer offering value-priced, urban fashion apparel
- Differentiated merchandise for the entire family
- Current fashions and brands at value prices
- Strong and flexible sourcing relationships
- Large market with highly attractive customer base
- Proven store model that pays back initial investment in 12 - 14 months
- Significant growth opportunities
- Experienced management team

Recent Developments

Sales

- > Weathered difficult economic environment in 2008 with flat comp sales
- > Total sales projected to be up 12% to 14% in 2009 due to continued new store growth and estimated 1% increase in comp store sales

Gross Margin

- > Gross margin has returned to pre-2007 levels
- > Markdowns have been controlled with tighter inventory management
- > Steps taken to reduce inventory shrinkage

Inventory Management

- > Comp store inventory was down 15% throughout much of 2008
- > Comp store inventory has been down 8% to 10% thus far in 2009
- > Strengthened inventory planning & allocation staff

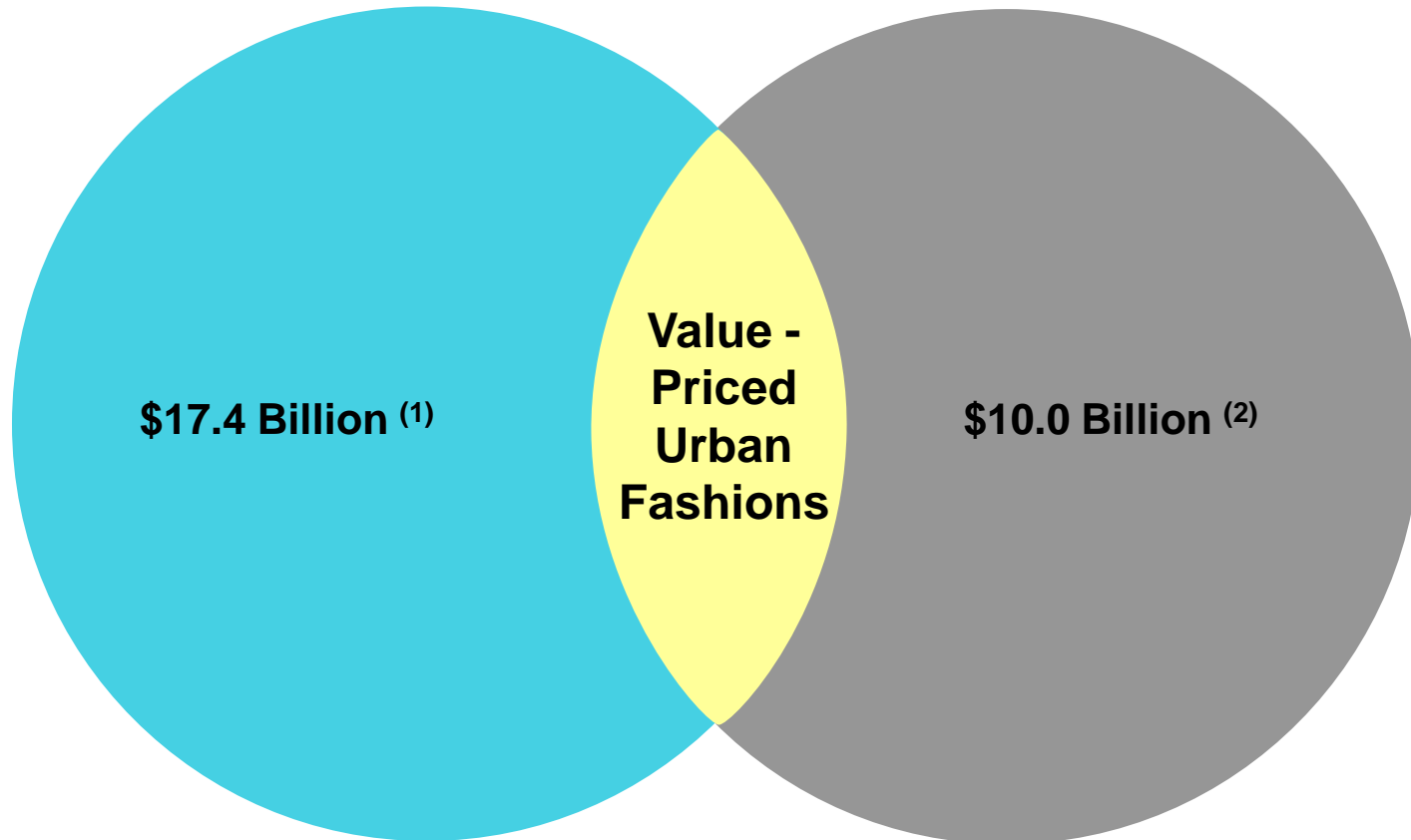
Distribution Center

- > Completed expansion of Darlington D/C
- > Implemented new warehouse management system in April 2009
- > Study ongoing to determine next D/C site

Large, Attractive Market

Off-Price Apparel

Urban Apparel

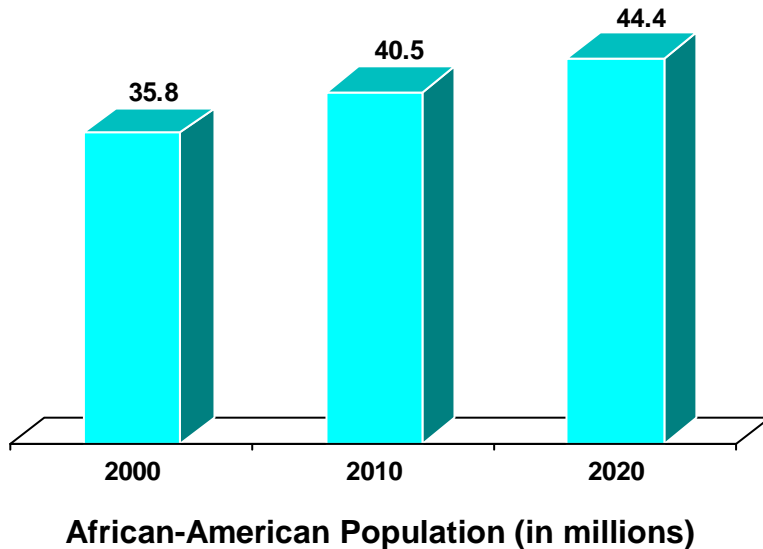


(1) NPD Group – 2008 retail sales
(2) Management estimate

Attractive Customer Base

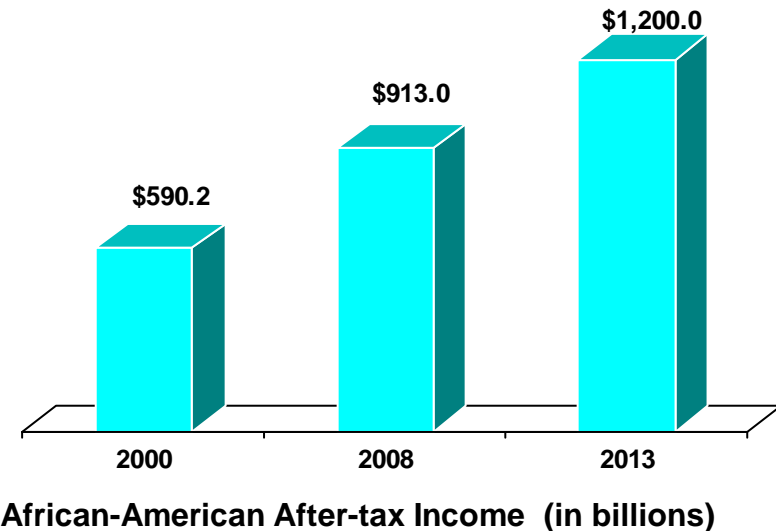
- Our concept, merchandise and locations are tailored to our core customer
 - 70% African-American
 - \$20,000 to \$40,000 median household income

Favorable demographics



Source: U.S. Census Bureau

Significant buying power



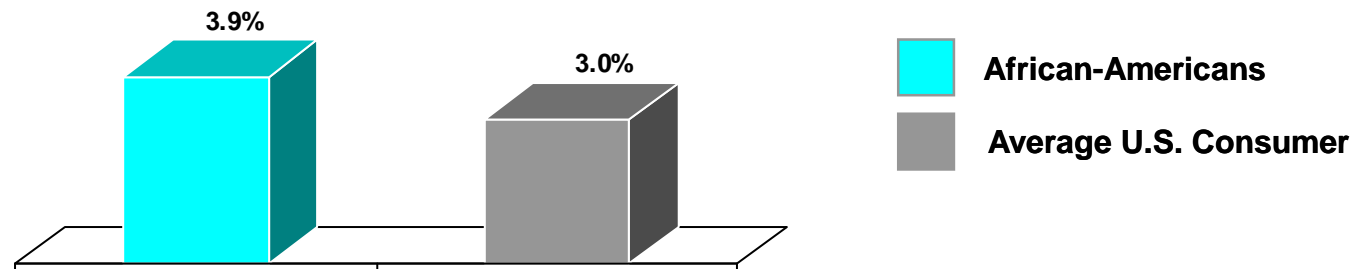
Source: Selig Center for Economic Growth

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Significant Demand for Fashion Apparel

- Our customer has a greater propensity to purchase apparel...

2007 Apparel Expenditures as % of Annual Income

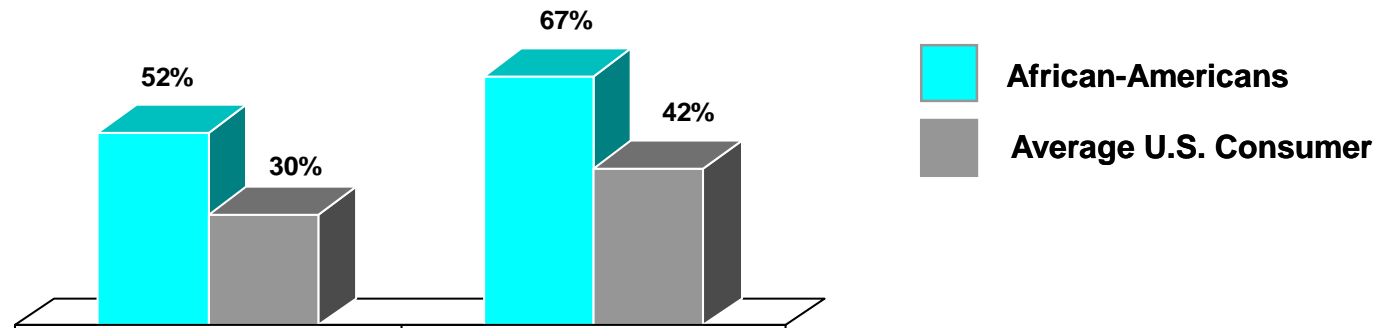


Source: U.S. Department of Labor

- ...and has a greater focus on brands and fashion

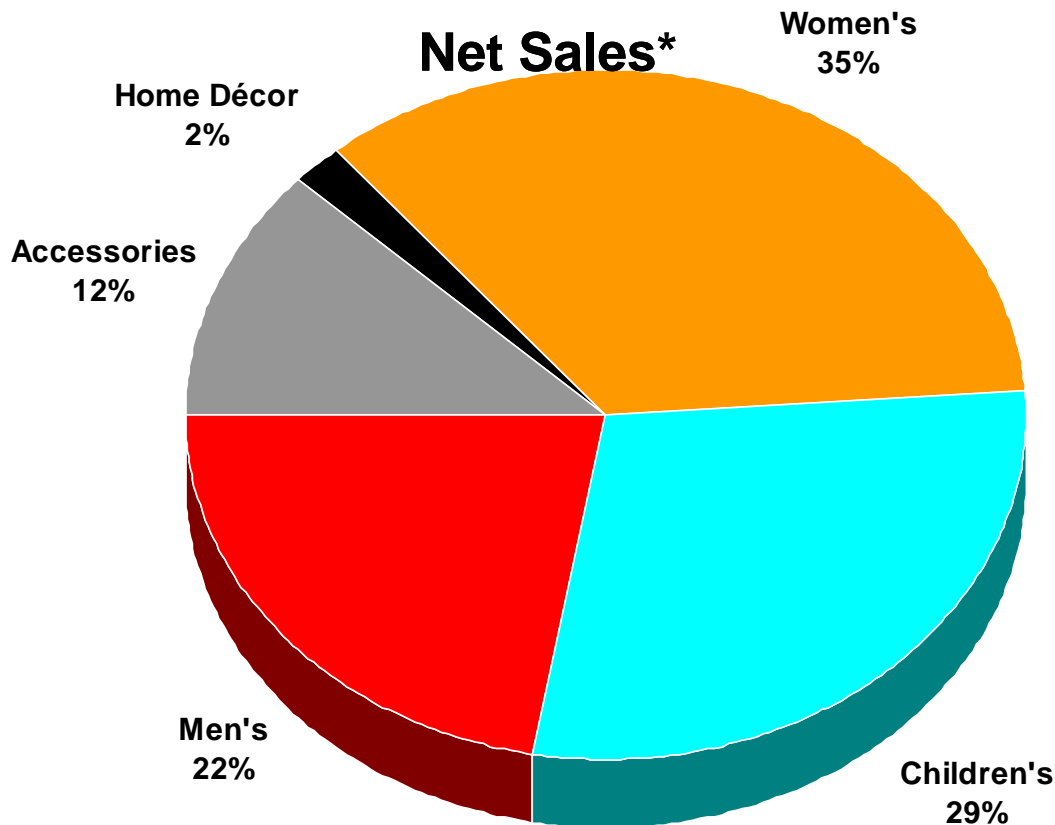
Trend Setting Fashions

Unique Merchandise



Source: Initiative for a Competitive Inner City and Pricewaterhousecoopers LLP.

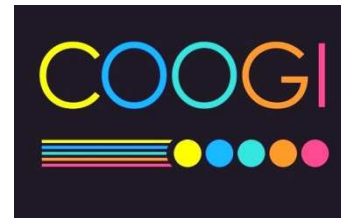
Family-Focused Apparel Offering



- Leading brands
- Proprietary offering – *Red Ape, Diva Blue, Lil Miss Hollywood*
- Destination focus
- Differentiated from competitors
- Reduced fashion risk
- Multiple growth opportunities

* Fiscal 2008

Leading National Brands at Value Prices



Strong and Flexible Sourcing Relationships

- Strong sourcing relationships with over 1,200 suppliers
- Buying team with average of 20+ years retail experience
- Partnership approach with vendors:
 - Pay promptly
 - Avoid typical retail concessions
- Result: Ability to purchase current fashions at compelling prices:
 - Up-front
 - In-season, or
 - Opportunistically (close-outs)

Proven Store Model

- Focus on high traffic strip locations convenient to low to moderate income consumers
- Limited investment in fixturing, leasehold improvements or other startup costs
- Everyday low price strategy rather than promotion driven
- Typical new store payback in 12 - 14 months



Proven Store-Level Economics

	<u>Model</u>
Store Operating Metrics:	
Average Sales Volume (1 st 12 months)	\$1,400,000
Cash Flow Margin	20.0%
Average Store Cash Flow	<u><u>\$280,000</u></u>
Store Investment:	
Total Build-out – FF&E and Tenant Improvements ⁽¹⁾	\$180,000
Pre-Opening Expenses	30,000
Inventory, net of Accounts Payable	110,000
Total Store Investment ⁽¹⁾	<u><u>\$320,000</u></u>

1st Year ROI – Model ⁽¹⁾	88%
1st Year ROI – Actual (FY05, FY06 & FY07 stores) ^{(1) (2)}	95%

(1) Total store investment does not reflect the benefit of landlord reimbursements for tenant improvements

(2) First 12 months results for the 120 new stores opened in FY 2005, 2006 & 2007

Competition

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TJ-maxx
you should go
ROSS
DRESS FOR LESS

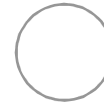
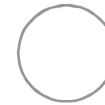
DOTS
Rainbow

WAL-MART
ALWAYS LOW PRICES. *Always*
K

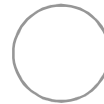
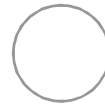
DOLLAR GENERAL

FAMILY DOLLAR

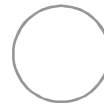
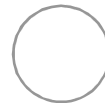
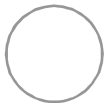
Focus on Urban Apparel



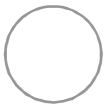
Brand / Fashion Orientation



Specialty Store Environment



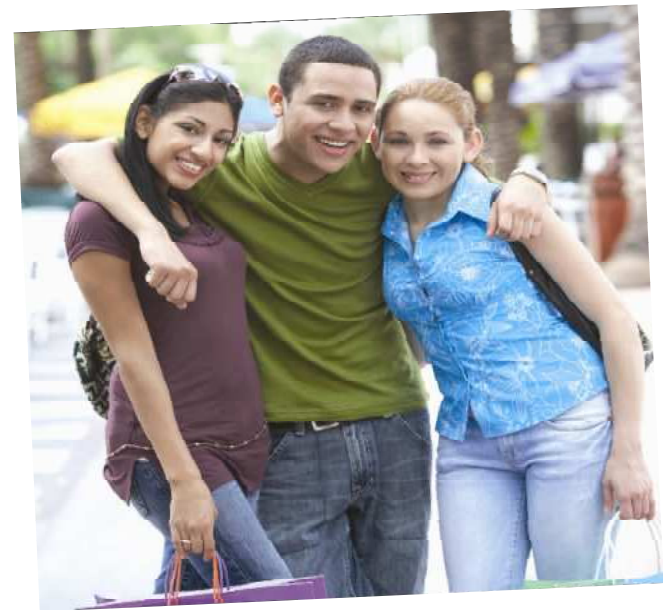
Serve the Entire Family



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Financial Highlights

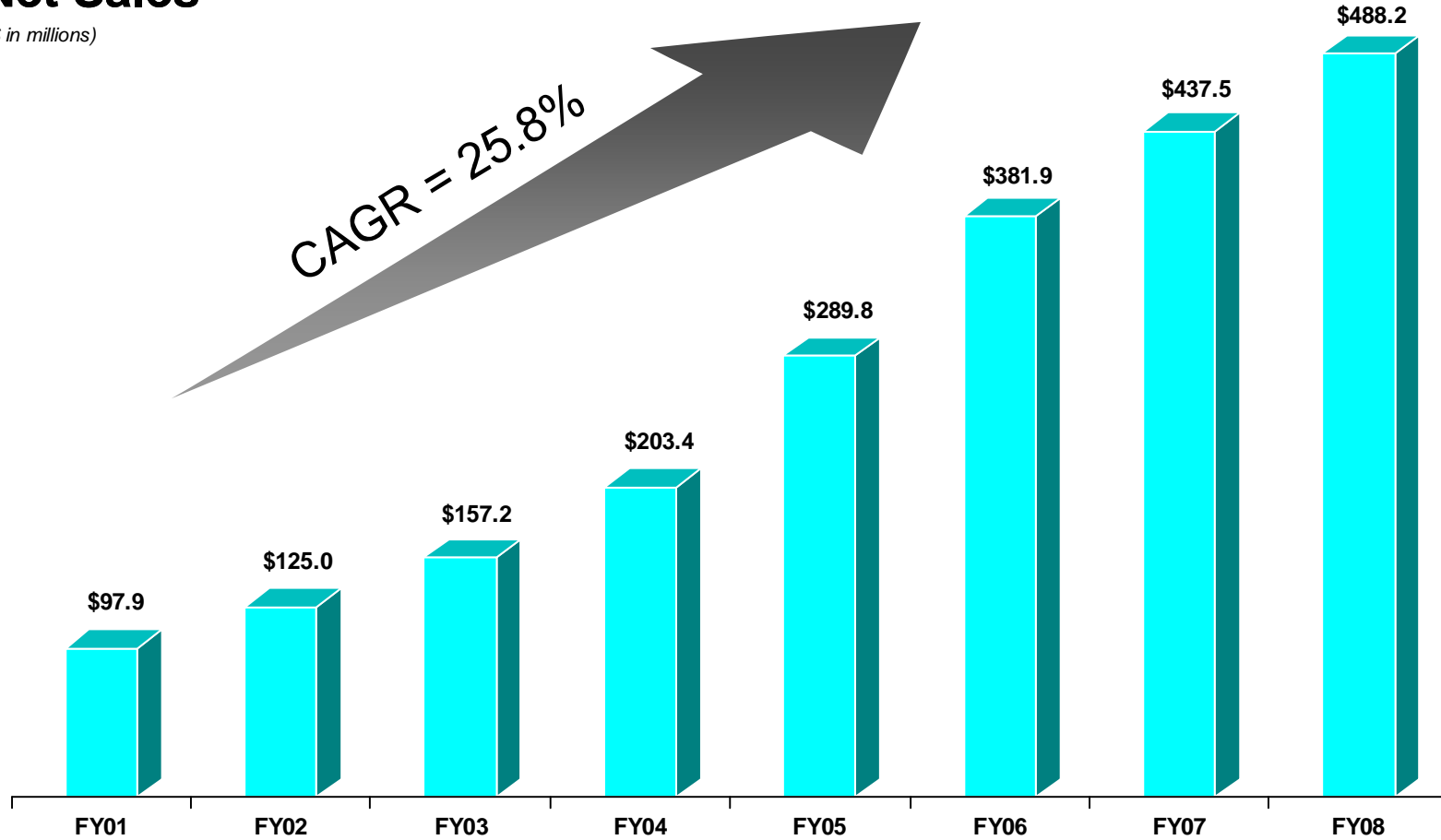
- Rapid growth
- Proven ability to drive new store growth and sales per store
- Strong gross margins
- Powerful store economics
- Efficient operating model
- Attractive cash flow characteristics
- Well capitalized for growth



Rapid Revenue Growth

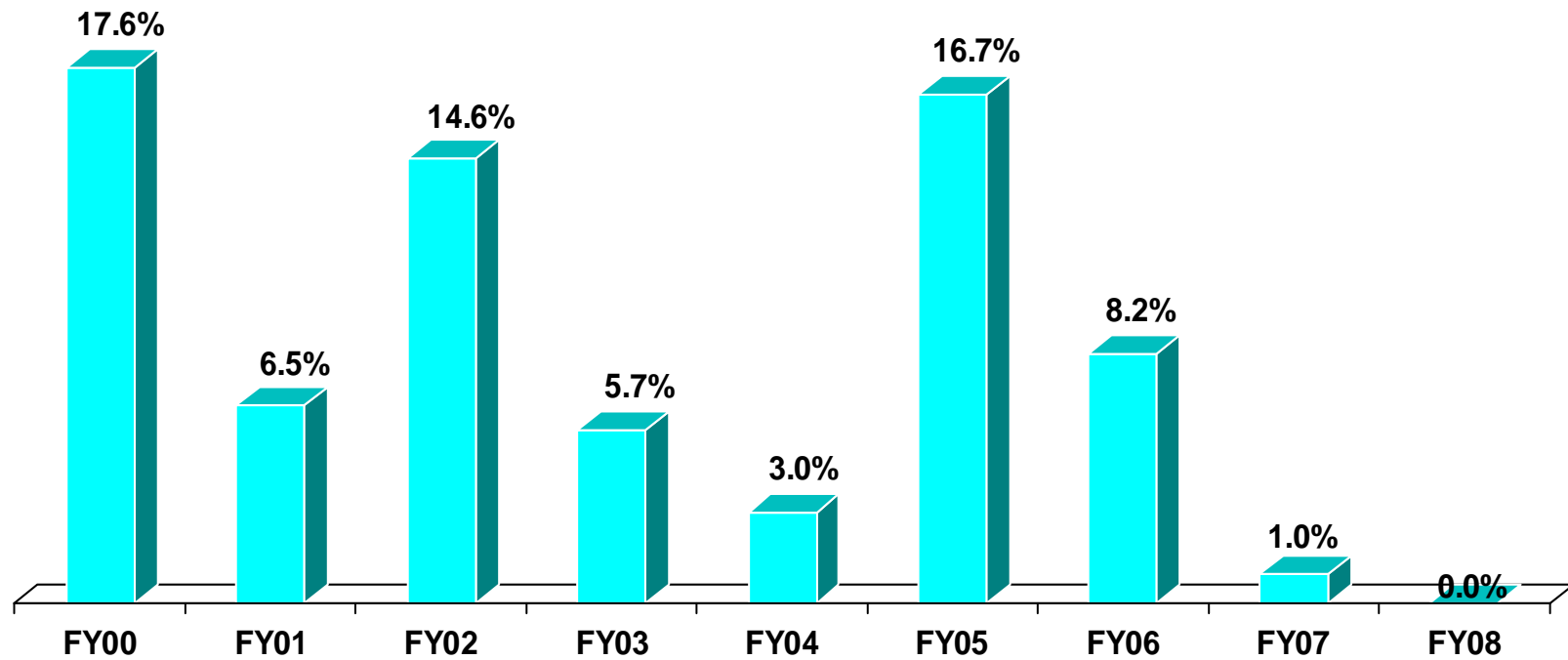
Net Sales

(\$ in millions)

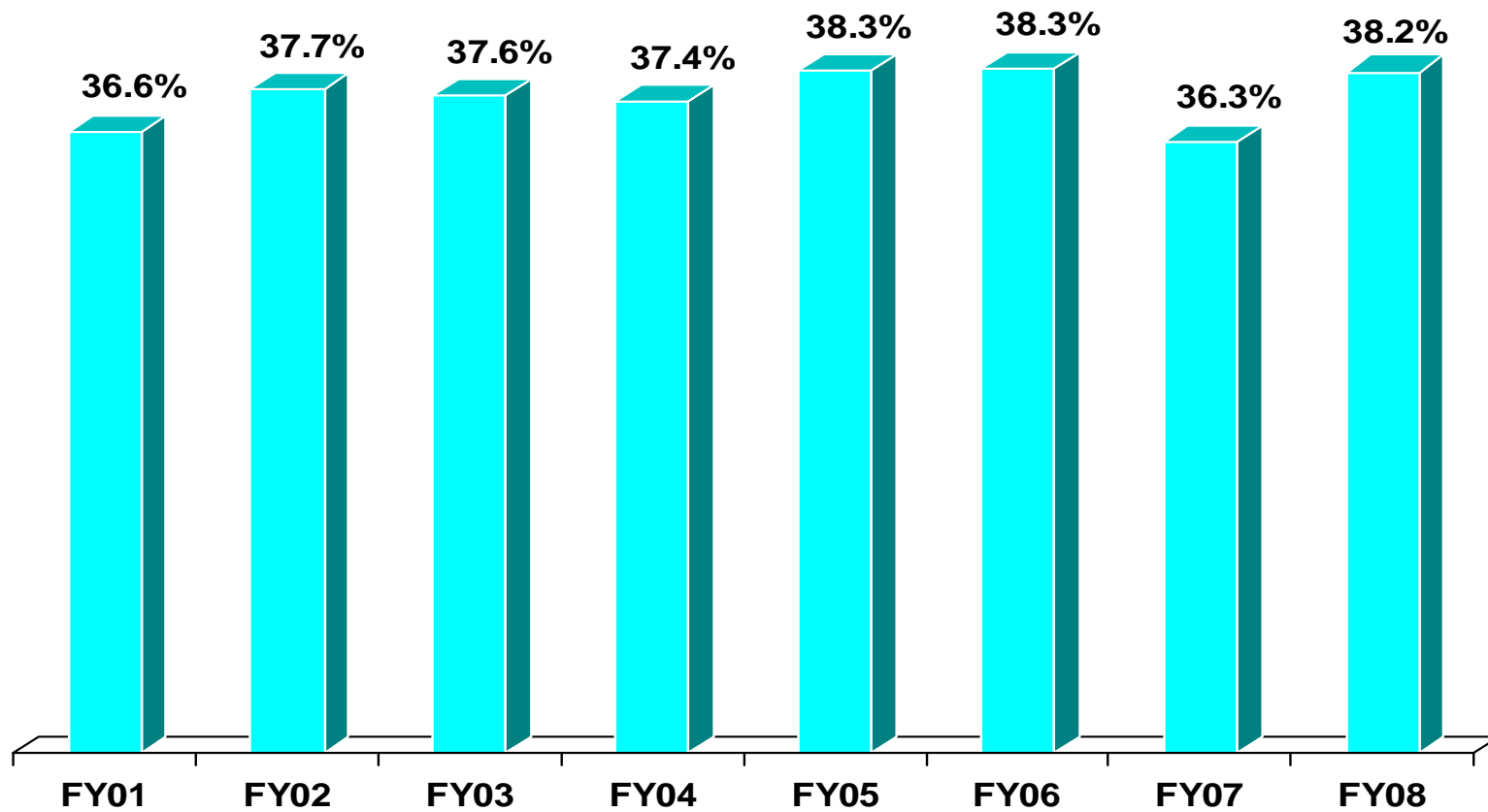


Stores: 123 137 161 200 235 277 319 357

Comparable Store Sales - Annual

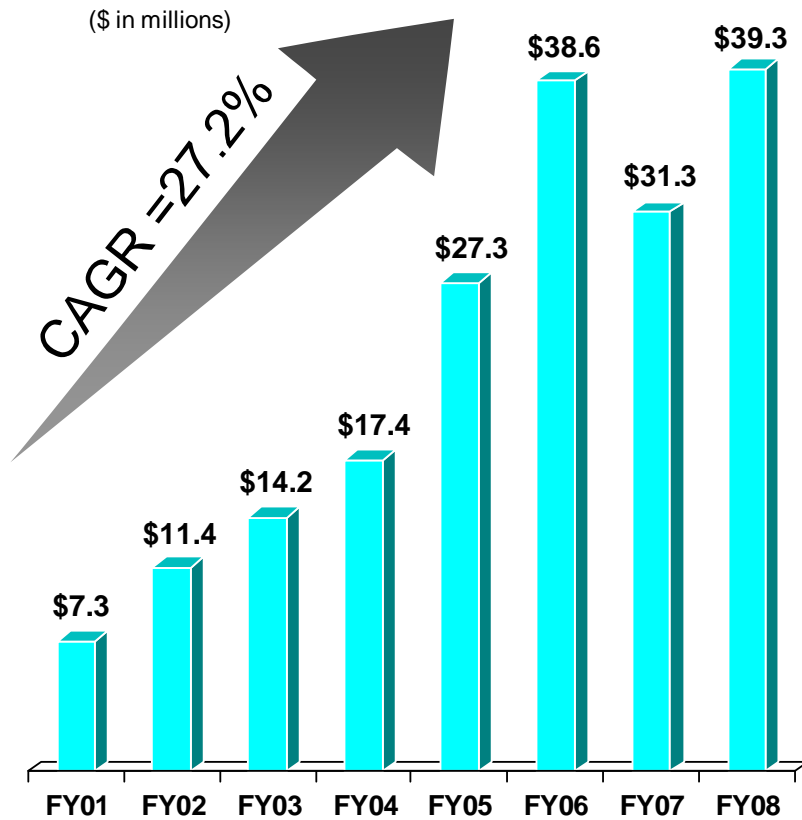


Strong Gross Margins

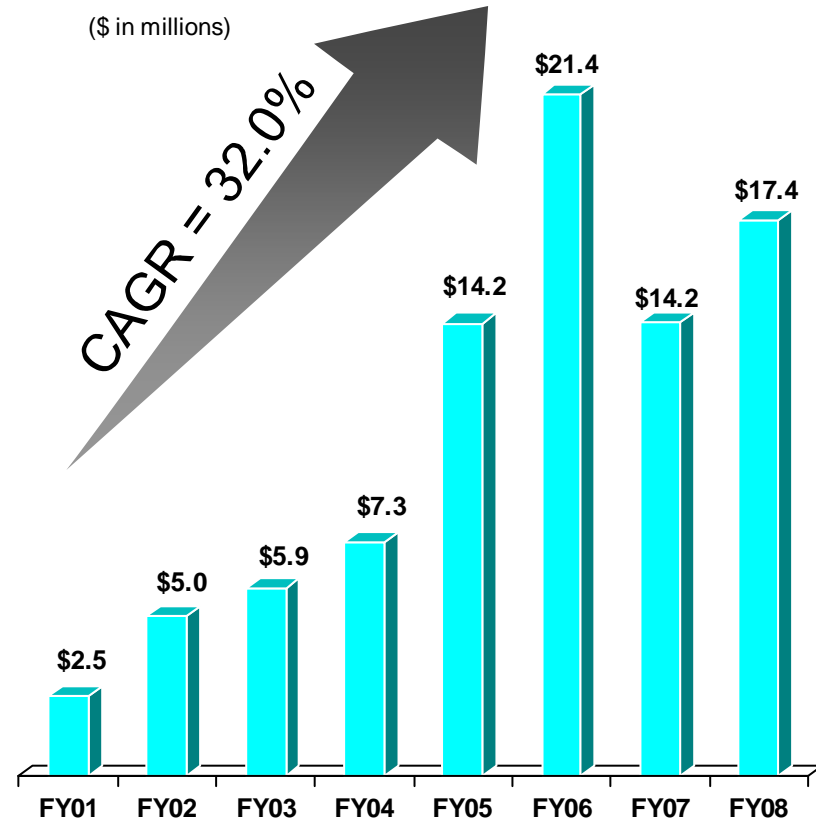


Attractive Cash Flow Characteristics

EBITDA



Net Income



Well Capitalized for Continued Growth

(\$ in millions)

As of
August 1, 2009

Cash	\$	36.4
Investment Securities	\$	42.5
Total Debt*, including Capital Leases		0.6
Total Stockholders' Equity		167.7
Total Capitalization	\$	168.3

* \$20 million credit facility available; unused

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Fashion for LESS
